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Chairman: Mr. Yousfi ..... (Algeria)
Chairman of the Advisory Committee on Administrative and Budgetary Questions: Mr. Saha

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The meeting was called to order at 3.10 p.m.

Agenda item 128: Administration of justice at the United Nations (*continued*) (A/C.5/61/21)

1. **The Chairman** drew attention to a letter dated 26 March 2007 from the Acting President of the General Assembly addressed to the Chairman of the Fifth Committee (A/C.5/61/21).

2. **Mr. Sach** (Controller) responded to questions raised by the representative of Singapore at the Committee's 43rd meeting, held on 22 March 2007 (A/C.5/61/SR.43), regarding the case of the Assistant Secretary-General for Central Support Services and the budget of the Procurement Task Force. With respect to the eight staff members placed on special leave with full pay pending completion of the investigation by the Procurement Task Force, three staff members had been cleared of wrongdoing and had been reinstated in their original functions; one staff member had been summarily dismissed and subsequently indicted on a number of criminal charges; one staff member had been reinstated in functions not directly related to his previous functions; and three staff members had been charged with misconduct. Two of those staff members had been reinstated in functions not directly related to their previous functions, while the third had been suspended with pay pending the conclusion of his case. The Assistant Secretary-General had been placed on special leave with full pay on 16 January 2006. His status had been converted to suspension with full pay on 22 December 2006, when he had been charged with misconduct on the basis of a Procurement Task Force report of 19 December 2006. Neither status constituted a disciplinary measure. He had continued to receive all of the benefits to which he was entitled and had remained a United Nations staff member subject to the Staff Regulations and Rules.

3. In February 2006, the Assistant Secretary-General had submitted a complaint to the Management Performance Board and had been informed by the Deputy Secretary-General that the Board was not in a position to consider the matter because the facts had not been fully established. The staff member had subsequently filed an appeal with the Joint Appeals Board, which had considered that although the submission had been lodged outside the time limits stipulated in the Staff Rules, exceptional circumstances justified waiving the time limit. The Board had made no findings concerning the appropriateness of the decision being appealed or the propriety of the actions taken by senior management.

4. The statement by the representative of Singapore that the staff member had not yet been charged was incorrect. The report by the Procurement Task Force on the staff member's involvement in certain procurement activities had been issued on 19 December 2006, and he had been charged with misconduct on 22 December 2006. In accordance with established disciplinary procedures, he had been given a copy of the documentary evidence of the alleged misconduct, informed of his right to counsel and afforded the opportunity to submit comments on the charges. Two submissions provided in response to the allegations were under review. A decision would be made by the end of March 2007 as to how the case should proceed.

5. The findings contained in the draft Office of Internal Oversight Services (OIOS) audit report had pointed to a serious risk that the Organization's resources might have been mismanaged and that the integrity of its procurement systems might have been compromised by neglect, fraud or corruption. The Organization had accordingly been obliged to address those findings systematically and to initiate a further fact-finding investigation into certain procurement exercises in accordance with the recommendations of OIOS. To preserve the integrity of the investigations, it had been decided that eight staff members should be placed on special leave with full pay until the relevant facts had been established. The Assistant Secretary-General had been given an opportunity to submit comments on the final OIOS report.

6. With respect to the apportionment of charges for the Procurement Task Force between the peacekeeping budgets and the regular budget, as stated in the Secretary-General's report (A/61/603), he explained that the apportionment was based on the related coverage of procurement activities and took into account caseload and historical data on procurement value and purchase orders. Information on the distribution of procurement value and purchase orders between peacekeeping and other offices had been reported to the General Assembly in documents A/57/187, A/59/216 and A/60/846/Add.5. Each of those documents contained an annex II showing the distribution of procurement value for 2001, 2002 and 2004, respectively.

7. Expenditures related to the OIOS Procurement Task Force had been absorbed within existing provisions for the regular budget and peacekeeping budgets; no additional appropriation had been required. Annual charges for the Task Force during the calendar year 2006 had amounted to $3.7 million, and year-to-date expenditure up to 25 March 2007 was approximately $1 million.

8. **Ms. Ahlenius** (Under-Secretary-General for Internal Oversight Services) said, with respect to the Assistant Secretary-General for Central Support Services, that following the decision in January 2006 to put the eight staff members on administrative leave, the Procurement Task Force had been requested to investigate those staff members as a matter of priority. On 19 December 2006, the Procurement Task Force had submitted its report to the Under-Secretary-General for Management, who had accepted the recommendation to take appropriate action. With regard to the action by management, the Procurement Task Force had found nothing in the Assistant Secretary-General's responses to the report that necessitated a revision of the report or its conclusions.

9. With regard to the Task Force's terms of reference, it had been created in January 2006 in response to the procurement problems identified by the Independent Inquiry Committee into the United Nations Oil-for-Food Programme and substantiated through the comprehensive management audit of the Department of Peacekeeping Operations (A/60/717) carried out by OIOS in 2006 at the request of the General Assembly. The Procurement Task Force operated as a unit of OIOS and reported directly to the Under-Secretary-General for Internal Oversight Services. Its remit was to investigate all cases related to procurement, including bidding exercises, procurement staff and vendors doing business with the United Nations. The terms of reference of the Task Force had not been expanded and remained in force in their original form as issued in January 2006 and as set out in the Secretary-General's report of 1 December 2006 (A/61/603).

10. The role of the Task Force was to investigate procurement-related matters involving vendors, their representatives, agents and intermediaries, and/or staff, for possible violations of the regulations and rules of the Organization, fraud, corruption or mismanagement. The Task Force had not disqualified or suspended any vendors; it did not have the authority to do so. Naturally, however, it had provided information to the Department of Management and the Procurement Service about vendors that had engaged in misconduct, illegal activities and unethical behaviour. As a unit within OIOS, the Task Force had the authority to recommend action against vendors that had committed fraud and corruption, breached United Nations rules, or acted corruptly or unethically.

11. Contrary to what the representative of Singapore had said at the Committee's preceding meeting, the Procurement Task Force did not "pressure" individuals or vendors to cooperate with investigations, but sought their cooperation under the regulations governing investigations in the United Nations. In accordance with the mandate of OIOS relating to investigations, and under the terms of vendor contracts with the Organization and as a privilege of doing business with the United Nations, vendors were expected to cooperate with investigations conducted by OIOS and the Procurement Task Force. Furthermore, the Task Force requested staff members to cooperate with its investigations under the regulations requiring them to do so, including staff regulation 1.2 (r). In most cases, staff members had cooperated, but in one case the Task Force had had to invoke regulation 1.2 (r). In that instance, the staff member had still not cooperated fully, and the issue had been described in the Task Force's report. In one case the Task Force had informed the Procurement Service that a vendor had not cooperated in an important investigation involving fraud and alleged waste of United Nations funds. The Procurement Service had temporarily suspended the vendor after the latter had been given several opportunities to cooperate with the Task Force's investigation.

12. The Task Force currently had more than 100 active cases, several of which were large-scale investigations of contracts with an aggregate value of several hundred million dollars. Many of those cases involved allegations of significant waste, mismanagement, violations of United Nations rules or fraud. The Task Force's mandate had been extended until 31 December 2007 on the basis of an estimate by the Office of the Controller that it would take at least until that date to complete the investigations. Subsequently, any outstanding cases and investigations would be referred back to the OIOS Investigations Division.

13. **Mr. Aljunied** (Singapore) said that, while he appreciated the responses to his questions, the Secretariat had not explained why the Assistant Secretary-General for Central Support Services, though cleared of criminal wrongdoing but subject to allegations of mismanagement, had not been reinstated pending completion of the investigation, as had been done with the other two staff members still under investigation. He wondered, further, how the Secretariat could claim that de facto and then de jure suspension was not a disciplinary measure.

14. His delegation wished to know whether it had been the Department of Management or the Procurement Task Force that had charged the Assistant Secretary-General. How could he have been charged on 22 December 2006, just three days after receiving the Task Force's report, when he should have been given 30 days to respond before charges could be made? What was the correct procedure? In addition, he asked on what grounds the staff member had been placed on administrative leave in January 2006. Why had it taken almost a year for charges to be made? He asked whether the Procurement Task Force could confirm that its report had cleared the staff member of criminal wrongdoing and fraud, and wondered why that point had not been publicly emphasized.

15. With respect to the statement that the Management Performance Board had not been in a position to consider the matter because the facts had not been fully established, he wondered what facts were being referred to. Was it not the Board's duty to determine the facts and decide whether the staff member had a right to seek recourse? Why had there been a concerted effort by the former Deputy Secretary-General and senior management to deny him that recourse? Who was the former Deputy Secretary-General trying to protect and what was he trying to hide? A key role of the Management Performance Board was to judge the performance of Under-Secretaries-General. The staff member's complaint had directly pertained to the performance and conduct of the former Under-Secretary-General for Management, but the Board had not been given the opportunity to decide whether to receive or reject the complaint. In regard to the staff member's appeal to the Joint Appeals Board, the latter had rejected the argument made by the Department of Management that the appeal had been filed late. He wondered why the Department of Management had sought to deny the staff member recourse to the Joint Appeals Board.

16. The staff member's placement on administrative leave without charge for 11 months constituted a form of mental punishment, regardless of whether or not it was deemed a disciplinary measure. Moreover, that punishment could be prejudicial to future reviews of the staff member's case.

17. Although the staff member had been placed on administrative leave on the basis of a draft OIOS report, he had not received a copy of the draft report, but only the final report, which had been amended and abridged. In short, administrative action had been taken against him and his colleagues on the basis of one document, yet they had been given the opportunity to reply to a different document. That certainly did not constitute due process or justice.

18. With respect to the Procurement Task Force, more information was needed on its activities and its mode of operation. He asked who the members of the Procurement Task Force were. What were its actual terms of reference? The Secretary-General's report on the Task Force (A/61/603) lacked detail, and had yet to be considered by the General Assembly. The Secretariat had stated that expenditure related to the Task Force had been absorbed within existing provisions for the regular budget and peacekeeping budgets. He wished to know where those provisions appeared in the budget and whether they had been approved by the Fifth Committee and the General Assembly. Under whose authority was expenditure made by the Task Force?

19. His delegation noted that the Secretariat had been able to absorb unforeseen expenses for the Task Force that to date had reached nearly $5 million. That fact raised fundamental issues about how budgets were presented to the Fifth Committee and the General Assembly. Was it the practice of the Secretariat to inflate budget requests? Was the Secretariat hiding information from the General Assembly? If there had been no overbudgeting, then the unforeseen expenditure must have entailed an opportunity cost, which raised the question of what other budgeted items had been sacrificed in order to fund the Task Force. The lack of scrutiny of the Task Force's authorization and expenditures was alarming.

20. Finally, he asked for a detailed breakdown of the $3.7 million spent in 2006 and the additional

$1 million spent up to 25 March 2007 for the Procurement Task Force. He believed that the Fifth Committee would like to see such an accounting and to know what the Procurement Task Force had accomplished with that expenditure.

21. **Mr. Sach** (Controller) said that the decision to return a staff member to duty was based on the nature and substance of the charges pending and the responsibilities of the staff member concerned. In the case in question, it had been decided that both the nature and substance of the charges and the responsibilities of the staff member concerned prevented him from returning to duty until those matters had been resolved. The Department of Management always did its utmost to protect the confidentiality of individual investigations and disciplinary proceedings. Therefore, in the interests of due process, there was a limit to the amount of information he could share with the Committee.

22. Disciplinary proceedings were defined in the Staff Rules. The staff member had been charged in accordance with the procedures laid down in administrative instruction ST/AI/371 on revised disciplinary measures and procedures, and had been given an opportunity to respond to the charges against him.

23. Neither special leave with pay nor suspension with pay were disciplinary measures. Under staff rule 105.2, the Secretary-General could place a staff member on special leave with pay if he considered such leave to be in the interest of the Organization. The nature and extent of the findings of the OIOS audit report were such that they constituted exceptional circumstances and justified the placement of several individuals on special leave with pay.

24. The Management Performance Board, meanwhile, was not a fact-finding body. It could not take any action until the fact-finding phase had been completed. At the time the staff member had submitted his complaint, the facts had still been under investigation by OIOS.

25. As for the questions relating to the Procurement Task Force budget, the almost $5 million that could be absorbed by the Secretariat should be considered in the light of the Organization's annual expenditure, which approached $7 billion. Since some $2 billion of that related to procurement activity, it was important to investigate procurement issues fully. As the Committee was already aware, for the financial period ending on 30 June 2006, the peacekeeping budgets had enjoyed a surplus of some $450 million. That was one way in which such expenditure could be absorbed. Another way was under the regular budget, when there were vacancies.

26. As for the requested breakdown of expenditure, he said that the Procurement Task Force budget was spent on salaries, travel and related costs, and rental costs. All those costs would be duly reported in the accounts for the financial periods concerned.

27. **Ms. Ahlenius** (Under-Secretary-General for Internal Oversight Services) said that OIOS had provided Member States with considerable information about the Procurement Task Force in informal consultations. There was nothing unusual about the Procurement Task Force; it was simply a second investigation division within OIOS. It operated under exactly the same rules and regulations as OIOS, but had a specific mandate, as set out in its terms of reference, to investigate procurement issues. Those terms of reference were described in the report of the Secretary-General on the Procurement Task Force (A/61/603). She stressed again that they had not changed since the Task Force's inception in January 2006.

28. As for the comment that more information was needed on what the Task Force did and how it operated, she said that, in the interests of due process, OIOS, and by extension the Task Force, never made public statements about investigations that were ongoing.

29. **Mr. Aljunied** (Singapore) said that, while he understood the need for confidentiality, he hoped that it would not be used as an excuse for not providing information to Member States. He noted the Controller's reluctance to provide the information he had requested publicly; would the Controller be prepared, perhaps, to give it to the Singaporean delegation on a bilateral basis?

30. He was still unsure as to the provisions within which the Procurement Task Force budget was to be absorbed; whether those provisions had been approved by the Fifth Committee and the General Assembly; and under whose authority the funds were being disbursed. Comparisons between the Task Force's expenditure and the Organization's total annual expenditure did not help to clarify those questions.

31. Responding to the comments made by the Under-Secretary-General for Internal Oversight Services, he said that he was well aware that the Task Force was a second investigation division within OIOS; what he wanted to know was what exactly it was doing. The Secretary-General's report (A/61/603) contained only a description of the Task Force's terms of reference, not the terms of reference themselves. Without knowing what those terms of reference were, the Committee could not determine whether the Task Force had overstepped its authority. His delegation was not asking the Task Force to make public statements; it simply wanted a more comprehensive account of its activities.

32. Lastly, every item of expenditure in the Organization should be subject to close scrutiny. He was not satisfied with the Controller's cursory response that the Task Force's $3.7-million budget was spent on salaries, travel and rental. What kind of travel was it spent on, for example? Did the Controller mean travel for business or for pleasure? He hoped to receive clearer answers in that regard.

33. **Mr. Sach** (Controller) said that the provisions he had mentioned related to both the regular budget and peacekeeping budgets. Those budgets had been presented to the Committee, along with the related reports of the Advisory Committee on Administrative and Budgetary Questions (ACABQ), and appropriations had subsequently been provided. As delegations were well aware, the regular budget included a section devoted to OIOS, which contained a subprogramme for investigations. Those provisions were not earmarked for a particular investigation at the time when the budget was put together; rather, they were umbrella provisions for all investigations. The idea was to protect the interests of the Organization by ensuring that wrongdoing could be investigated and all allegations properly addressed. It was in that context that the Secretary-General had been given the authority to spend money on investigations and pursue allegations relating to misuse of procurement funds.

34. Within the Organization's total annual expenditure of some $7 billion, the provision for all procurement requirements, across both peacekeeping missions and the regular budget, amounted to $2 billion, which was a substantial sum. It was the role of the Procurement Task Force to investigate allegations with regard to improper procurement processes. Its expenditure was subject to the same auditing processes as all the other funds appropriated by the General Assembly. Performance reports would be issued and the items would be fully reviewed at the end of each accounting period.

35. He could not provide a more detailed breakdown of expenditure at the current meeting, but he assured the Committee that separate cost plans had been drawn up before the Task Force had spent any of the funds in question. As to the suggestion that funds earmarked for travel might not have been used for investigations, he said that the approval processes and internal controls in place with respect to travel ensured that funds were used for the purposes intended.

36. **Ms. Ahlenius** (Under-Secretary-General for Internal Oversight Services) reiterated that the Procurement Task Force operated under the same mandates, resolutions and regulations as OIOS. Indeed, it was part of OIOS. The only difference was that the Task Force had been established specifically in response to concerns raised by management regarding procurement activities and following the comprehensive management audit of the Department of Peacekeeping Operations that her Office had carried out in 2006. The Task Force's terms of reference specifically stated that its remit was to investigate procurement-related issues only.

37. Neither the Investigations Division nor the Procurement Task Force reported directly to the General Assembly. However, in line with a decision taken by the General Assembly, their reports were listed on the OIOS website and, in principle, were available to Member States. The Task Force had submitted 12 reports to programme managers thus far. Nine of those reports related to the eight individuals in question. None of them were available to Member States at the current time, however, as the administrative procedures within the Organization had not yet been completed.

38. As for the complaint that the Secretary-General's report on the Procurement Task Force (A/61/603) lacked details, on the Task Force's activities and terms of reference, she noted that a recently issued OIOS report on peacekeeping operations (A/61/264 (Part II)) contained interesting information about Procurement Task Force investigations in peacekeeping operations. The Task Force's annual report was still being prepared; once finalized, it would be submitted to the General Assembly by OIOS.

39. The Procurement Task Force, when fully staffed, comprised 20 investigators. Currently, 16 investigators from 15 different countries worked for the Task Force; the four vacant posts would be filled shortly. The Task Force was headed by an official on secondment from the European Anti-Fraud Office; both he and his deputy were lawyers. She would be happy to provide more information about the Task Force at a subsequent meeting of the Committee. In principle, OIOS had no secrets; however, there were details which it was not in a position to divulge.

40. **Mr. Aljunied** (Singapore) said that his delegation would carefully consider the justifications provided by the Controller. It still believed that Procurement Task Force expenditure needed to be scrutinized more closely.

41. The Controller had stated that annual Task Force-related charges incurred during 2006 amounted to $3.7 million, while year-to-date expenditure up to 25 March 2007 was approximately $1 million. Could he also inform the Committee about projected expenditure for the whole of 2007? When could he provide a detailed breakdown of expenditure? Such a breakdown was essential in order to verify the Controller's comments regarding expenditure.

42. According to the Under-Secretary-General for Internal Oversight Services, the Procurement Task Force had prepared 12 reports to date. If Procurement Task Force expenditure for 2006 had been $3.7 million, they were very expensive reports.

43. **Mr. Sach** (Controller) said that Procurement Task Force expenditure was expected to continue at approximately the same rate throughout 2007. There were no plans to expand its activities. Given that the Task Force had spent approximately $1 million up to 25 March 2007, expenditure for the whole of 2007 was expected to be approximately $4 million. He would endeavour to provide the requested breakdown of expenditure bilaterally, within the next day or two.

44. **Ms. Ahlenius** (Under-Secretary-General for Internal Oversight Services) said that she would very much like Procurement Task Force reports to be more readily available. However, OIOS was restricted by the administrative procedures of the Organization and reports had to be redacted significantly before being issued.

45. In response to the comments made about the cost of Procurement Task Force reports, she said that Task Force's investigations were very detailed and sometimes resulted in reports that were 150 pages long. The losses to the Organization that had been discovered by the Procurement Task Force were far greater than its cost.

Agenda item 144: Financing of the United Nations peacekeeping forces in the Middle East (*continued*)

(b) United Nations Interim Force in Lebanon (*continued*) (A/C.5/61/L.39)

Draft resolution A/C.5/61/L.39: Financing of the United Nations Interim Force in Lebanon

46. **Mr. Hussain** (Pakistan), introducing draft resolution A/C.5/61/L.39 on behalf of the Group of 77 and China, said that the Group was introducing the draft resolution in order to express its deep concern over Israel's failure to comply with previous General Assembly resolutions requesting it to pay the amount of $1,117,005 resulting from the incident at Qana in 1996. The current year's draft recognized the important role played by the United Nations Interim Force in Lebanon, stressed once again that Israel should pay the aforementioned amount and requested the Secretary-General to report on the matter to the General Assembly at its current session.

47. **The Chairman** said that action would be taken on the draft resolution at the Committee's next meeting.

Agenda item 117: Programme budget for the biennium 2006-2007 (*continued*)

Note verbale dated 22 March 2007 from the Office of the President of the General Assembly addressed to the Chairman of the Fifth Committee (A/C.5/61/20 and A/C.5/61/L.38)

48. **The Chairman** drew attention to a note verbale (A/C.5/61/20) dated 22 March 2007 addressed to him by the Office of the President of the General Assembly and containing a request for the Fifth Committee to consider taking up the matter raised in the annex to that note verbale. The annex contained a letter dated 1 December 2006, addressed to the President of the General Assembly by the Permanent Representative of Spain in his capacity as President of the Executive Board of the United Nations International Research

and Training Institute for the Advancement of Women (INSTRAW), regarding the Institute's budget situation.

49. **Mr. Simancas** (Mexico), introducing draft decision A/C.5/61/L.38 on future operations of the International Research and Training Institute for the Advancement of Women, said that the aim of the draft decision was to implement fully the mandate established by the General Assembly in its resolution 60/229, which provided the Institute with financial support for 2006-2007. The sponsors of the draft decision were conscious that the first part of the resumed sixty-first session would end the next day and that, while their course of action in proposing the draft decision was in accordance with the rules of procedure of the General Assembly, it was not fully in keeping with the practice of the Committee. The sponsors were therefore not requesting the Committee to take action on the draft decision at the current meeting, and wished to express their readiness to provide clarification and engage in discussions to bring the matter to a satisfactory conclusion.

50. **Mr. Hussain** (Pakistan), speaking on behalf of the Group of 77 and China, said that his Group wished to echo the statement of the representative of Mexico and to assure the Committee of its commitment to providing any necessary clarification of the matter in question and to engaging in informal consultations with a view to reaching an amicable solution.

51. **Mr. Kozaki** (Japan) said that his delegation was deeply saddened and disheartened at the procedure leading to the introduction of draft decision A/C.5/61/L.38, since it appeared to be incompatible with General Assembly resolutions 41/213 and 42/211 and, more importantly, was not in line with the Committee's established practice and working methods. The actions of the Committee had long been based on the goal, outlined in annex II to General Assembly resolution 41/213, of making recommendations based on the broadest possible agreement. His delegation attached great importance to the principle of consensus in the Fifth Committee and to the integrity of the intergovernmental process.

52. Although financial issues arising from the decisions of Main Committees of the General Assembly were usually dealt with in accordance with rule 153 of the rules of procedure of the General Assembly, the Fifth Committee had no report of the Secretary-General and no report of the Advisory Committee to consider. Appropriate procedures must be followed, and the rules and mandates of the intergovernmental bodies must be fully respected throughout the consideration of all items on the agenda of the Fifth Committee.

53. His delegation urged the sponsors of the draft decision to reconsider their position and withdraw their draft in order to pursue a better solution which was in accordance with the Committee's established procedure and practice. In the light of the negative implications of the current situation for the work of the Organization in general and the General Assembly in particular, his delegation also requested the Chairman to bring the matter to the immediate attention of the President of the General Assembly and of the Secretary-General, in order to obtain their views and proposals for action.

54. **Mr. Woeste** (Germany), speaking on behalf of the European Union, said that the European Union had been surprised and concerned that the matter of the budget situation of INSTRAW had been brought before the Committee so late. The European Union was prepared to consider the issue provided that the Committee's established practices were followed. In that connection, it wished the Secretary-General and, if necessary, the Advisory Committee to provide clarification. Aware of the time constraints which the Committee was facing, it would not object if that information was provided orally.

55. **Mr. Stone** (Australia), speaking also on behalf of Canada and New Zealand, said that he was surprised and disappointed at the introduction of the draft decision only one day before the scheduled end of the first part of the resumed sixty-first session of the General Assembly and in a manner which did not correspond to the practices and procedures of the Committee. It would be extraordinary for the Committee to appropriate the sum referred to in the draft decision without conducting a detailed examination of a budget proposal. He was pleased that the sponsors of the draft decision were prepared to discuss the matter to which it related, looked forward to those discussions and supported the views expressed by the representative of Japan and the representative of Germany, speaking on behalf of the European Union.

56. **Mr. Potts** (United States of America) said that his delegation shared the concerns expressed about the significant departure from the Committee's customary

course of action. At the very least, it should have the opportunity to consider reports from the Secretariat and the Advisory Committee on the matter in question. That matter deserved thorough discussion, which was best achieved when established practice was followed faithfully.

57. **Mr. Kovalenko** (Russian Federation) said that his delegation was somewhat surprised at the last-minute submission of the draft decision and questioned the compatibility of that process with the Committee's established working practices. Before reaching any conclusion, it would like to hear the views of the Secretary-General and the Advisory Committee on the matter.

58. **Ms. Van Buerle** (Director, Programme Planning and Budget Division) said that, between 1 January and 31 December 2006, the Institute's expenditure had been approximately $1.3 million. That amount had included the cost of employing nine staff (one D-2, one P-3, two P-2 and five General Service) and ancillary costs for consultancy services, travel, contractual services, general operating expenses and acquisitions. In the first year of the biennium 2006-2007, the Institute had received only $378,940 in voluntary contributions, and had therefore depended throughout that year on the subvention authorized when the General Assembly had adopted the budget for that biennium. While voluntary contributions had been pledged in 2007, none had been received, leaving the Institute with sufficient funds to operate only until the end of April 2007. That appeared to explain the draft decision's reference to commitments of up to $857,800.

59. **Mr. Kozaki** (Japan), recalling that a number of delegations had requested comments from the Advisory Committee, wondered when those comments would be forthcoming, and hoped that they would be submitted in writing.

60. **Mr. Hussain** (Pakistan), speaking on behalf of the Group of 77 and China, said that his Group had noted the concerns of Committee members but believed that the submission of the draft decision was not the unfortunate act some had described it to be. The General Assembly, in previous resolutions, had endorsed the activities of the Institute, a United Nations body whose mandate, though focused on core activities of the Organization, had proved impossible to implement because of inadequate financial support. That situation was affirmed in the letter from the Permanent Representative of Spain (A/C.5/61/20, annex) and in the description which the Committee had just received from the Director of the Programme Planning and Budget Division. The Institute's serious financial situation was real, not imagined, and required a solution. The Group had been unable to find any course of action other than that which it had taken, in compliance with the rules of procedure of the General Assembly. It was prepared to examine any other option which might be proposed if it received assurances that the Institute would not remain in its current predicament.

61. **Mr. Kozaki** (Japan) said that his delegation reiterated its view that the submission of the draft decision was not in line with the Committee's practice. The Committee customarily considered draft decisions only after in-depth and sometimes time-consuming discussion, yet the document in question had been put before the Committee without proper consultation.

62. **Mr. Simancas** (Mexico) said that, on introducing the draft decision, his delegation had been careful to explain the background of the proposal. Most importantly, the Committee must ensure implementation of the Institute's existing mandate, which had been established by a resolution of the General Assembly. The Committee had accomplished that task in part, but must take further action to enable the Institute to continue its activities. The assertion that there had been no approaches to the Committee regarding the draft decision was inaccurate; his delegation had undertaken such approaches and continued to be willing to engage in further consultation. He hoped that discussion of the matter could continue in the spirit of openness, transparency and flexibility that typified the Committee's work.

63. **Mr. Hussain** (Pakistan), speaking on behalf of the Group of 77 and China, said that the submission of the draft decision had not been a spontaneous act, but rather part of a process. The Committee had previously allocated and authorized the disbursement of a particular sum. More than 12 months had passed, but the Committee had taken no further action. While the legislative basis for taking up the matter existed, perhaps it had suffered from lack of attention. Even those delegations which had expressed concern seemed fully aware of the Institute's situation. In sponsoring the draft decision, the Group of 77 and China had made a proposal which was not extraordinary, sudden or

without basis. Its approach had been consistent and had in no way undermined the Committee's established practices. The Group remained open to discussing any alternative method of ensuring that the Institute could continue to operate.

64. **Mr. Kozaki** (Japan) wondered whether, in the light of the Committee's custom of taking decisions by consensus, the sponsors of the draft decision believed that such an outcome was possible, as his own view was that it was unlikely. He reiterated his request to the sponsors to withdraw their draft and pursue a better solution which was compatible with the practice of the Committee.

65. **The Chairman** said that the Bureau would meet to determine how best to approach the matter under discussion.

The meeting rose at 4.40 p.m.